

Message Text

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11

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 L-03 SS-20 NSC-10 DRC-01

SSO-00 NSCE-00 INRE-00 USIE-00 PRS-01 PA-04 /096 W

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O R 031120Z DEC 73

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC IMMEDIATE 2487

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

LIMITED OFFICIAL USE THE HAGUE 5268

E.O. 11652: N/A

TAGS: ETRN, NL, XT

SUBJ: CIVAIR: NORTH ATLANTIC CARGO RATES

REF: STATE 232670, HAGUE 5241

SUMMARY: GON HAS DISAPPROVED PAA CARGO RATE FILING ON
OSTENSIBLE GROUNDS IT NOT AGREED BY IATA BUT BASICALLY BECAUSE
KLM AND OTHER EUROPEAN CARRIERS LACK DIRECT OPERATING RIGHTS
TO U.S. CITIES IN QUESTION. EMBASSY PLANS TO REQUEST RECON-
SIDERATION FORMALLY. ACTION REQUESTED: MAY EMBASSY SUGGEST
INTERLINE AGREEMENTS? END SUMMARY.

1. WE WERE INFORMED BY MFA NOV 30 THAT NOTE BEING SET TO
EMBASSY EXPRESSING DISSATISFACTION UNDER BILATERAL AIR AGREE-
MENT WITH PAA FILING REPORTED SECOND REFTEL. GROUNDS FOR
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REFUSAL WERE SAID TO BE UNACCEPTABILITY OF RATES DIFFERING

FROM THOSE OFFERED BY OTHER CARRIERS, WHICH HAD BEEN AGREED BY IATA. WE RESPONDED BRIEFLY AND ORALLY ALONG LINES OF FIRST REFTEL, MEMORANDUM FROM WHICH HAD ALREADY BEEN SENT TO DIVILAIR AND MFA.

2. WE DISCUSSED FIRST REFTEL SAME AFTERNOON WITH VAN ALPHEN OF CIVILAIR, STRESSING POINTS IN PARA 4 AND 7A. VAN ALPHEN'S PRINCIPAL OBJECTION TO DIRECT TON-MILE RATES TO POINTS OTHER THAN NEW YORK WAS THAT THIS WOULD PUT EUROPEAN CARRIERS AT DISADVANTAGE SINCE THEY LACK OPERATING RIGHTS TO SOME OR ALL POINTS IN QUESTION. AS RESULT, HE SAID, ALL EUROPEAN CARRIERS IN IATA OPPOSE DIRECT TON-MILE RATES. WE OBSERVED THAT UNDER IATA RULES THIS HAD EFFECT OF GIVING ANY CARRIERS LACKING DIRECT OPERATING RIGHTS THE POWER TO VETO DIRECT RATES AND TO MAINTAIN DISCRIMINATION AGAINST CITIES OTHER THAN NEW YORK.

3. IN RESPONSE TO ORAL REQUEST VAN ALPHEN SAID HE WOULD TAKE UP MATTER WITH SUPERIORS EARLY THIS WEEK WITH VIEW TO RECONSIDERATION OF DECISION. HE OPINED, HOWEVER, THAT GON COULD NOT "LIVE WITH OPEN RATE SITUATION." HE THOUGHT BILATERAL CONSULTATION MIGHT BE IN ORDER.

4. COMMENT: IT IS DOUBTFUL THAT GON WILL RESCIND ITS DISAPPROVAL OF PAA CARGO RATE FILING IN VIEW OF (A) PRESUMABLY SOLID EUROPEAN POSITION AGAINST DIRECT TON-MILE RATES AND (B) EUROPEAN DEVOTION TO IATA (FEAR OF OPEN RATES). HOWEVER, WE WOULD LIKE OFFICIALLY TO PRESENT REASONS FOR THEM TO DO SO BEFORE RECEIVING RECONFIRMATION OF THEIR NEGATIVE DECISION. TO THIS END WE WISH TO PRESENT NOTE ASAP REQUESTING CONSIDERATION BASED ON MATERIAL IN FIRST REFTEL. WE WOULD LIKE TO ADD PARAGRAPH WHICH (A) POINTS OUT POWER OF ANY INTERESTED CARRIER UNDER IATA RULES TO MAINTAIN RATE DISCRIMINATION AGAINST U.S. CITIES OTHER THAN NEW YORK, (B) SUGGESTS INTERLINE AGREEMENTS BETWEEN TRANSATLANTIC CARRIERS AND APPROPRIATE DOMESTIC CARRIERS TO DIVIDE DIRECT TON-MILE RATES AS ALTERNATIVE TO MAINTAINING DISCRIMINATORY RATES, AND (C) STRESSES NEED TO ELIMINATE ECONOMIC DISCRIMINATION AGAINST CITIES OTHER THAN NEW YORK.

5. ACTION REQUESTED: DEPARTMENT'S ADVICE BY IMMEDIATE CABLE LIMITED OFFICIAL USE

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BY COB WASHINGTON DECEMBER 3 WHETHER POINT (B) RE INTERLINE AGREEMENTS SHOULD BE INCLUDED. ALSO VIEWS ON ANY OTHER ASPECTS OF NOTE.
TANGUY

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CARGO, CIVIL AVIATION, AIR FARES
Control Number: n/a
Copy: SINGLE
Draft Date: 03 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: hilburpw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973THEHA05268
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731248/aaaabjfd.tel
Line Count: 111
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 232670, HAGUE 5241
Review Action: RELEASED, APPROVED
Review Authority: hilburpw
Review Comment: n/a
Review Content Flags:
Review Date: 19 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19-Sep-2001 by kelleyw0>; APPROVED <24-Sep-2001 by hilburpw>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CIVAIR: NORTH ATLANTIC CARGO RATES
TAGS: ETRN, NL, XT, XN
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005